

CALIFORNIA TRANSPORTATION COMMISSION

**Resolution Regarding
State of California
(California Department of Transportation)
Federal Grant Anticipation Bonds
Series 2004A**

PASSED BY
CTC
JAN 22 2004
**CALIFORNIA
TRANSPORTATION COMMISSION**

FG-03-04

- 1.1 WHEREAS, under the National Highway System Designation Act of 1995 and the Transportation Equity Act for the 21st Century, the United States Congress authorized states to issue GARVEE bonds which are tax-exempt grant anticipation debt mechanisms backed by annual federal appropriations for federal aid transportation projects, and
- 1.2 WHEREAS, Sections 14550 and 14552-14555 were added to the Government Code of the State of California by Chapter 862 of the Statutes of 1999 (SB 928) (the "Act") to provide for the issuance of the Bonds, and
- 1.3 WHEREAS, in accordance with the Act, the California Transportation Commission (Commission) has adopted Grant Anticipation Revenue Vehicle (GARVEE) Guidelines (the "Guidelines") in order to establish guidelines for eligibility for funding allocations under the Act, and
- 1.4 WHEREAS, by Resolution FG-03-03 (the "Allocation Resolution") the Commission has allocated funds for the acquisition and construction of certain eligible projects as specifically identified by the Allocation Resolution (the "Series A Projects") and to provide for funding of the Series A Projects through the issuance of a series of Bonds under the Act and in accordance with the Guidelines, and
- 1.5 WHEREAS, in accordance with the Act and pursuant to the Allocation Resolution, the Commission has requested that the Treasurer of the State of California (the "Treasurer") issue bonds to provide the funds allocated for the Series A Projects, and
- 1.6 WHEREAS, pursuant to the Act, the Treasurer will issue bonds designated "State of California (California Department of Transportation) Federal Highway Grant Anticipation Bonds, Series 2004A (the "Series 2004A Bonds"), and
- 1.7 WHEREAS, payment of the principal of and interest on the Series 2004A Bonds will be secured by the trust estate as described in a Master Indenture of Trust dated as of February 1, 2004 (the "Master Indenture") among the Commission, the Department of Transportation (the "Department") and the State Treasurer (the "Treasurer"), as issuer and as trustee and a First Supplemental Indenture of Trust dated as of February 1, 2004 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), and

1.8 WHEREAS, there have been prepared and presented at this meeting the following documents required to be executed and delivered by or on behalf of the Commission for the issuance of the Bonds, and such documents are now in substantially final form, appropriate to be executed and delivered for the purposes intended:

- (a) Form of Master Indenture;
- (b) Form of First Supplemental Indenture; and
- (c) Form of the Bond Purchase Agreement to be entered into by the and among the Treasurer, the Department and the underwriters named therein, and to be acknowledged by the Commission.

1.9 WHEREAS, in connection with the issuance of the Bonds the Treasurer shall prepare and distribute a preliminary and final Official Statement with respect to the Series 2004A Bonds (collectively, the "Official Statement").

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

2.1 The recitals set forth above are true and correct, and the Commission so finds.

2.2 Pursuant to the Act and the Indenture and for the purposes in the recitals set forth above, the Treasurer of the State of California is hereby requested to issue the Series 2004A Bonds in an amount not to exceed \$750,000,000. The Series 2004A Bonds shall be in the forms set forth in and otherwise in accordance with the Indenture. The Series 2004A Bonds shall be issued and secured in accordance with the terms of the Indenture. Payment of the principal of, redemption premium, if any, and interest on, the Series 2004A Bonds shall be made solely from the Trust Estate (as defined in the Indenture), and shall not be deemed to constitute a debt or liability of the Commission or any member of the Commission.

2.3 The form, terms and provisions of the Master Indenture are hereby approved in substantially the form now before the Commission with such changes therein as shall be approved by the Executive Director or Chief Deputy Director of the Commission, or any written designee of either of the foregoing (each, a "Designated Officer") executing the same, including such changes as may be deemed necessary to cause the Master Indenture to carry out the intent of this Resolution and as are approved by Bond Counsel in consultation with the Attorney General and counsel to the Department; the execution thereof shall constitute conclusive evidence of the Commission's approval of any and all such changes or revisions from the form now before this Commission.

2.4 The form, terms and provisions of the First Supplemental Indenture are hereby approved in substantially the form now before the Commission with such changes therein as shall be approved by a Designated Officer executing the same, including such changes as may be deemed necessary to cause the First Supplemental Indenture to carry out the intent of this Resolution and as are approved by Bond Counsel in consultation with the Attorney General and counsel to the Department; the execution thereof shall constitute conclusive evidence of the Commission's approval of any and all such changes or revisions from the form now before this Commission.

- 2.5 A Designated Officer is hereby authorized to execute this Commission's acknowledgment of the Bond Purchase Agreement upon its execution and delivery in final form by the parties thereto following final pricing of the Series 2004A Bonds.
- 2.6 The Treasurer is hereby authorized to include in the Official Statement information provided by a Designated Officer with respect to the Commission necessary for preparation of the Official Statement and the Commission acknowledges that it shall remain responsible for continuing disclosure with respect to such information and that the Treasurer shall only be responsible for such information contained in the Official Statement which the Treasurer is competent and able to provide.
- 2.7 A Designated Officer is hereby directed and authorized to provide necessary information with respect to the Commission for preparation of the Official Statement, to review the Official Statement with respect to the Series 2004A Bonds for the limited purpose of determining the truth and accuracy of information regarding the Commission contained in the Official Statement and such Designated Officer is hereby authorized to execute and deliver certification on behalf of and in the name of the Commission at the time of the delivery of the Series 2004A Bonds as to the truth and accuracy of all information with respect to the Commission contained in the Official Statement.
- 2.8 All prior actions taken by the officers and agents of the Commission with respect to project programming and allocation in connection with the Series 2004A Projects and the issuance of the Series 2004A Bonds are hereby approved, ratified and confirmed, and any Designated Officer, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Commission, to do any and all things and take any and all actions and execute and deliver all certificates and other documents which they, or any of them, may deem necessary or advisable in order to assist in consummating the lawful issuance and delivery of the Series 2004A Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and the resolutions heretofore adopted by the Commission and otherwise in order to carry out the purposes hereof.
- 2.9 The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.
- 2.10 This Resolution shall be effective upon adoption.